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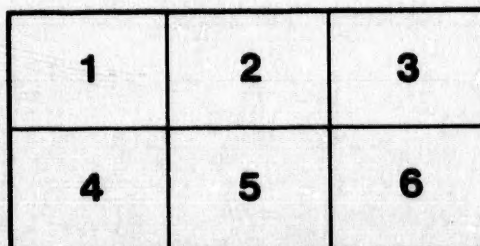
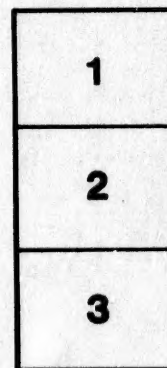
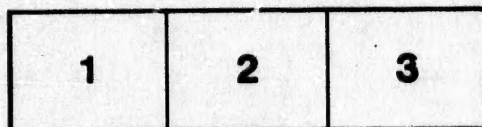
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GRAND TRUNK RAILWAY OF CANADA.

LETTER

FROM

MR. BRYDGES

IN REGARD TO

TRADE

BETWEEN

CANADA AND THE LOWER PROVINCES

MONTREAL

—
1866

GRAND TRUNK RAILWAY OF CANADA.

*To the Presidents of the Boards of Trade of Montreal,
Quebec, Ottawa, Toronto, Hamilton, London, &c.*

GENTLEMEN :—

The abrogation of the Reciprocity Treaty with the United States being likely to cause a considerable change in the trade of Canada, and consequently of the traffic along the line of the Grand Trunk Railway, I was induced to make careful examination into the condition of the Trade, particularly in regard to Breadstuffs, with the Lower Provinces, and with this view have lately spent some time in visiting the principal cities in those Provinces, and obtaining the best information that could be procured in regard both to the existing trade, and the possibility of increasing that trade with Canada.

The result of these investigations has convinced me that a very considerable traffic, indeed, can, if proper means are used, be carried on between Canada and the other Provinces,—to be, of course, very considerably enlarged as soon as their Confederation is actually accomplished.

One great difficulty which has hitherto existed in regard to the development of this trade, has been the want of proper means of communication ; and it is quite evident no large amount of trade can be secured until this want is supplied.

Obviously the most important means of communication, and the one calculated to develop the trade to the largest possible extent, would be the construction of a Line of Railway connecting all parts

of Canada with the various Provinces; but as it is impossible, for a considerable time to come, to get that into practical operation, it becomes necessary in the meantime to adopt other modes of conveyance.

The principal Ports of the Lower Provinces which receive the largest amounts in imports, are : in New Brunswick, St. John; in Nova Scotia, Halifax; in Prince Edward Island, Charlottetown; and in Newfoundland, St. Johns. The securing, therefore, of direct rapid means of communication between Canada and those points will have the effect, until such time as the Railway is completed, of supplying a want without which trade cannot be properly developed.

I am so satisfied of the trade which can be developed to those places, if the means of communication were supplied, that I have already made arrangements with an existing Line of Steamers running between Portland and St. John, to carry traffic from all points on the line of the Grand Trunk Railway to St. John, New Brunswick.

I am also now completing arrangements for putting on, during the month of September next, Steamers to run between Portland and Halifax, which, it is intended, shall run continuously throughout the year, forming at first a weekly line, to be increased as the extent of the trade may render necessary.

New Brunswick, from its position, and the fact that the city of St. John takes the largest amount of importations, must, until the Railway is built, be served in the way I have named, viz.: by way of Portland; and, in my opinion, this must be the case in regard to Halifax also. The length of time occupied by the Gulf route is considerable, and, of course,

is only available for less than seven months in the year. During the latter part of the season, when the largest amount of produce seeks conveyance, the difficulty of navigating the Gulf is the greatest, and the rates of insurance become so high as to make a considerable addition to the cost of transportation.

Another reason also operates in the same way. The merchants of the Lower Ports, owing to the necessity of getting in their supplies at certain seasons of the year, have been compelled to lock up a considerable amount of capital, by having always large stocks on hand at certain periods of the year.

The necessity for this will, of course, no longer exist, as soon as constant means of communication are supplied, enabling merchants to order what they want by telegraph at short notice, and thus avoiding the loss by storage and other contingencies which are necessitated when large stocks have to be kept on hand.

Prince Edward Island will probably be mainly supplied, so far as they draw their supplies from Canada, by water from Quebec and Montreal; but Newfoundland, from its proximity to Halifax, will in all probability, to a large extent at any rate, be supplied in future from that place.

Since the abrogation of the Reciprocity Treaty the Province of New Brunswick has not altered its policy in regard to the importations of flour, which both from the United States and Canada is now, as before, admitted into the Province free of duty. In Nova Scotia and Prince Edward Island the laws which were in force before the Reciprocity Treaty was negotiated have been revived, and there

is now a duty upon United States flour imported into those Provinces of 25 cts. a barrel,—flour from Canada in both Provinces being free of duty. In Newfoundland, where their supplies for a great many years have been drawn almost wholly from the United States, a duty since the abrogation of the Reciprocity Treaty has been imposed of 1s. 9d. a barrel upon flour, no matter from whence imported.

As regards Nova Scotia and Prince Edward Island, there is therefore a discriminating duty in favor of Canada of 25 cts. a barrel; and when in addition to this it is remembered that the duty which the American Government now imposes upon wheat imported from Canada adds, of course, to the cost of the article from which flour is manufactured, this fact, added to the great cost of all descriptions of labour in the United States, must render the price of flour in that country in future greater than it has been in the past.

There can be no doubt, therefore, that as regards all the Lower Provinces, the price of flour must, from natural causes, so long as the present policy of the United States is continued, be cheaper in Montreal than in New York or Boston, rendering it, of course, of advantage to consumers in those Provinces to buy in the markets of Canada, rather than those of the United States; and so far as the Provinces of Nova Scotia and Prince Edward Island are concerned, this is made still more so by the differential duties which they now impose.

The total importations of flour into the four Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, according to the latest returns which have been published by the

respective Governments of these Provinces, are as follows, viz. :—

In New Brunswick	-	-	-	256,096	bbls.
Nova Scotia	-	-	-	355,358	} “
“ “	-	-	-	26,943	
Prince E. Island	-	-	-	32,801	“
Newfoundland	-	-	-	202,718	“
Making a total of	-	-	-	874,816	“

This is more than the average importations of flour into the United States from Canada during the existence of the Reciprocity Treaty.

It follows, therefore, if proper means of communication are provided, and energy displayed by the merchants of Canada, that the Lower Provinces alone will offer a market for the great bulk of the surplus flour that Canada has to export.

The duties now imposed by the United States upon the importations of Breadstuffs from Canada, and the great cost of all their manufacturing operations, render it certain that the comparatively lighter taxed country of Canada will be able to produce what the Lower Provinces require at much less prices than can possibly be the case with the United States.

Of the importations of flour into New Brunswick, not far short of 200,000 bbls. are taken at the port of St. John alone, and from that place a very large portion of the Province is supplied, especially that part of it tributary to the River St. John, which is the most populous and best settled portion of the country.

Between 20 and 30,000 barrels of flour find their way to the Gulf ports, as far down as Shediac, and

the remainder of the importations into New Brunswick go to St. Andrews and St. Stephens, to be carried along the line of Railway running towards Woodstock, for the use of the lumbering districts.

Nearly the whole of the flour, therefore, imported into New Brunswick will, until the Intercolonial Railway is completed, of necessity find its way into the Province by the Bay of Fundy. As I have already stated, I have completed arrangements with Steamers running between Portland and St. John, by which flour from all parts of Canada can be sent on through-bills-of-lading to St. John; the shipper at any station on the line of the Grand Trunk Railway having no necessity to look after the transfer at Portland, that being done, as well as the Customs business, by the officers of the Company. St. Andrews and St. Stephens will also be supplied from Portland by sailing vessels, which can always be obtained without difficulty, and through-bills-of-lading will be given to those places also.

Of the importations of flour into New Brunswick, the great bulk has for some years back been from the United States; although, even before the abrogation of the Reciprocity Treaty, the quantity sent from Canada has been annually increasing. Thus I find in the year 1863 St. John received from Canada by way of Portland 9000 barrels; in 1864, 15,000 barrels; whilst during the last twelve months the quantity has increased to 47,000 barrels.

If this has been the case before the abrogation of the Reciprocity Treaty, it follows, as a matter about which there can be little dispute, that the circumstances which now exist will make it certain that

nearly the whole supply will in future be drawn from Canada.

In regard to Nova Scotia, the importations by the last returns which have been published in that Province, namely, for the year ending 30th September, 1865, show the following result:—

From Canada	-	-	-	58,233	bbls.
New Brunswick	-	-	-	10,482	"
Prince Edward Island	-	-	-	372	"
Newfoundland	-	-	-	658	"
United States	-	-	-	312,371	"
Great Britain	-	-	-	118	"
Other places	-	-	-	67	"

Of the importations from Canada the largest amounts have been to Halifax and Pictou, the quantities having been respectively—

To Halifax	-	-	-	27,018
" Pictou	-	-	-	25,479

From New Brunswick, the importations into Nova Scotia have been principally along the shore of the Bay of Fundy. From the United States, the importations have been, to a very large extent, into the Port of Halifax,—they having amounted to 172,192 bbls.

The next largest place of importation is Yarmouth, into which place the importations were 19,714 barrels.

The next largest are Cornwallis and Windsor, they each having imported 9000 bbls.

All other ports have received quantities varying from 100 bbls. to 3000 bbls. each.

There are now 65 places (including Halifax) in Nova Scotia, which have received importations of flour from the United States. Many of these, of course, are small harbours where fishing operations are carried on, and each derive their supply of from one hundred to two or three thousand barrels from sailing vessels which carry fish from these places to New York or Boston, and bring back, after selling their loads, the flour they want for their home consumption.

In Prince Edward's Island the importations, according to the last published returns, have been—

From Canada	-	-	-	-	1,848 bbls.
“ Nova Scotia	-	-	-	-	2,353 “
“ New Brunswick	-	-	-	-	373 “
“ United States	-	-	-	-	27,227 “
Total					32,801 “

These figures are taken from the returns for the year 1864. I was informed in Prince Edward Island that the amount last year was larger, and that during the present year the quantity imported will not be less than from 50 to 60,000 bbls.

In Newfoundland, of the total importations of 202,718 bbls., there were from Canada 25,835, from Nova Scotia 3,382, and from the United States 172,145. The bulk of the importations into Newfoundland are taken into St. John's, although some portions find their way to the different fishing points along the coast in the same way as is the case in Nova Scotia.

These figures will give a very accurate idea of the general course of the flour trade, and will show the

merchants of Canada the places with which it will be necessary to make arrangements for supplying this traffic in future from Canada. To facilitate these arrangements, I have, as already explained, effected arrangements in regard to steamer communication between Portland and St. John's. At the latter place I have appointed an Agent, who will attend to all business arising at that place and in New Brunswick generally, and to whom all property will be consigned. The Steamers I have mentioned will be placed also upon the line between Portland and Halifax as early as possible in the month of September. An Agent has been appointed at Halifax, who will attend to the business in Nova Scotia generally, and also to the trade which, no doubt, can be cultivated from that city with Newfoundland.

There is, of course, in addition to the question of flour, much trade hitherto carried on by the Lower Provinces to a very large extent with the United States, which, by proper arrangements, can be diverted in the direction of Canada, to the advantage of both buyers and sellers. Thus, as regards New Brunswick, the importations of butter and cheese amounted, by the last public returns, to 500,128 lbs., of the total value of \$105,725. Of this, 309,846 lbs. were purchased in the United States. Of meats and hams, cured and salted, New Brunswick imported 2,059,131 lbs., of a total value of \$157,183, of which 1,999,845 lbs. were imported from the United States. Of boots and shoes, of various kinds, New Brunswick imported to a total value of \$80,475, of which \$66,489 came from the United States. Of leather, of various kinds, she imported to the value of \$47,183, of which the United States supplied

\$42,650. Of lard, New Brunswick imported 93,165 lbs., of which 78,603 lbs. were sent from the United States. Of tobacco, she imported 505,521 lbs., of which 469,873 were sent from the United States. Of refined sugar, the United States supplied New Brunswick with 150,995 lbs.; of unrefined sugar, 430,815 lbs. The greatest portion, of course, of the unrefined sugar was either supplied direct from the West Indies or from the same place through Nova Scotia. Of the article of tea, New Brunswick imported 1,058,082 lbs., of which 455,978 lbs. were sent from the United States; nearly the whole of the remainder being imported from Great Britain.

The several articles of which I have given particulars are mentioned only as samples of the general trade of New Brunswick. There can be no reason whatever, why with proper energy on the part of our merchants, New Brunswick should not find it to be to her interest to make her purchases in the markets of Canada rather than in those of the United States. The rate of taxation in the latter country, and the great cost of everything, have so largely increased the price of all articles of commerce, that it is a question that cannot admit of doubt, that Canada, that is comparatively so lightly taxed, and will, it is to be hoped, improve in this respect hereafter, ought to be able to supply the Lower Provinces upon much more advantageous terms than can be done, under existing circumstances, by the United States.

It may be interesting to give some similar facts in regard to the trade of Nova Scotia. It seems from its returns that the total importations of beef, pork and hams (cured and salted) amount to about 13,000 barrels per annum, of a total value

of \$212,707; of this 10,695 barrels were imported from the United States, and only 77 from Canada. Of tea the total importations into Nova Scotia were 1,546,075 lbs., of a value of \$515,890, of which the United States supplied 175,105 lbs. Great Britain of course supplied the great bulk of the remainder. Of tobacco in leaf the total importations into Nova Scotia were 507,989 lbs., of which the United States supplied 58,856 lbs. Of manufactured tobacco the importations were 317,029 lbs., of which the United States supplied 244,532 lbs. The importations of raw and refined sugar from the United States into Nova Scotia appear to be but a very small proportion of the whole.

The exports of fish from Nova Scotia and Newfoundland are, of course, very large, and there can be no reason why, if proper arrangements were made for the curing and packing of the fish there, instead of allowing it to be mainly done as at present in the United States, there could not be a very large trade direct to Canada and through Canada into the Western States from Halifax.

The exportations of raw sugar from Nova Scotia are very considerable, amounting in the aggregate to nearly ten millions of lbs., of which upwards of a quarter appears to be sent from Halifax to Canada. This of itself will provide considerable back freight to the Line of Steamers which will be put on between Portland and Halifax.

In regard to Newfoundland, in addition to flour, they imported in the year 1864, the last return which I have been able to obtain, 26,157 bbls of pork, of which 23,472 were sent from the United States, and 1,293 from Canada

They imported of beef 2,417 barrels, of which 1,999 were from the United States. Of butter the importations were 16,536 cwt., of which Nova Scotia supplied 4,192 cwt., Canada 2,466 cwt., and the United States 7,454 cwt. Of leather-ware the total importations were to the value of £61,936. Of tea 461,830 lbs., and of tobacco 291,750 lbs.

For the reasons already given, the trade of which I have endeavoured as regards the Provinces to give a few examples, can by proper arrangements be carried on to a very large extent indeed with Canada before Confederation takes place. Of course as soon as that desirable event has actually been completed, there can be no doubt of the large increase of trade which will immediately follow.

It might not be uninteresting before closing these remarks to say something in reference to the Coal fields of Nova Scotia, and the extent of the trade which already exists in that article. Whilst I was in Nova Scotia I visited Pictou and the Coal districts in its vicinity. The present Railway system of Nova Scotia consists of the Railway from Halifax to Truro, with a branch to Windsor, at the head of Minas Bay. The Nova Scotia Government are now constructing as a Government work an extension of the Railway from Truro to Pictou, which will be completed in about a year from this time. This Railway runs through the Coal district. There are two principal Coal Mining Companies now at work, one, the General Mining Association, has been in operation for a considerable time, and has at present three mines in actual operation, and one more which they are opening out. The shafts of these mines vary from 2 to 600 feet in depth. The seam of Coal which

is being worked is 40 feet in thickness, of which about 36 feet is solid Coal. In these three mines there are at present employed between 8 or 900 men and boys,—the average pay of the colliers during the last year having been about 9s. 4½d. currency a-day; ordinary labourers getting from 4s. to a dollar. The mines are being worked very extensively with steam engines and all proper appliances. The General Mining Association have a Railway about seven miles in length, which has been in operation for upwards of twenty years. The gauge of this Railway is four feet eight and a half inches, and they have upon it six engines and five hundred and seventy trucks. These trucks are loaded with the Coal at the mouth of the pits and are taken to a point on the river, where ships of the largest size can come alongside the wharf. The quantity of Coal which has been shipped by the Mining Association for some years past has amounted to about 200,000 tons annually. The price of the Steam Coal at the point of shipment is about \$2.50 per ton, and of Small Coal about \$1.50 per ton.

Freight from Pictou to Boston would range from \$2.50 to \$3.00 a ton, the same rates, or thereabouts, being charged to Montreal. This Company owns four square miles of Coal land, and they have also, in the vicinity, land containing very large quantities of Iron Ore, as well as Lime.

The other Mining Company, which has lately been started, is called the Acadian Mining Company. They have one seam six feet thick now opened, out of which they are getting coal, and they have just opened another seam, which they will begin immediately to work, and which has a thickness of 20 feet.

They own a very large property in the neighbourhood of New Glasgow. They are about to make three miles of Railway, to connect their shafts with the Railway now being constructed from Truro to Pictou. The quantity of Coal appears to be inexhaustible, and there seems to be no reason why this Coal, which is of excellent quality for steam purposes, should not be delivered in Montreal for five dollars a ton. I was so satisfied with the excellent quality of this Coal, from the reports I heard of it, that I ordered several cargoes to be sent to Montreal for the use of the Grand Trunk Company, so as to have it thoroughly tested for our purposes. There can be no doubt that the Coal which exists in Nova Scotia, in the neighbourhood of Pictou, and also at Cape Breton, where large mining operations are going on, will prove, when proper means of communication are supplied, to be of great importance in the future history of the Confederacy.

I hope the information contained in this paper may prove of some use in calling attention to the existence of a large trade close to our doors, and amongst our own people, and which by proper attention may be made of very great value to all the Provinces. It is with this object I have ventured to address you, and which must be my apology for troubling you with this letter.

I am, Gentlemen,

Your obedient servant,

C. J. BRYDGES.

Montreal, 23rd June, 1866.

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